

Special offer for Connecticut residents only

\$15 in cash.

**Plus 5¢ per minute on in-state long distance calls
and 10¢ per minute on out-of-state calls.**

That's just the beginning of AT&T's investment in you.

**(It all starts when you call 1 800 833-0447, ext. 34340, to switch to AT&T
and to get your check code.)**

Dear [REDACTED]:

How often does a company really *invest* in your satisfaction?

Switch to AT&T now — for both in-state and out-of-state long distance — and we will.

For starters, we'll give you this real \$15 check.

Because we value your business, we've sent you this \$15 check to spend however you please.
But that's just the beginning.

You'll also enjoy low in-state long distance rates in Connecticut.

With AT&T, your direct-dialed in-state long distance calls from home will be just 5¢ a minute,
24 hours a day, 7 days a week. Why pay SNET's higher rates?*

**Plus, you'll get our special 10¢ a minute long distance rate all over the U.S.
24 hours a day. Guaranteed. For six months!**

After that, we'll put you on our simple AT&T One Rate Plan.

With AT&T One Rate Plan, you'll enjoy the great low rate of just 15¢ a minute on all your
domestic direct-dialed out-of-state long distance calls from home — to anyone, anywhere,
anytime — 24 hours a day, 7 days a week.

And you'll continue to receive our low 5¢ a minute rate on all your in-state long distance calls.

You'll also be pleased to receive our helpful new AT&T bill...it'll include exclusive offers —
just for AT&T customers — and keep you updated on the best ways to save.

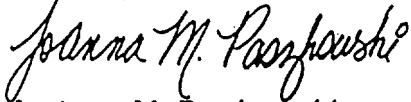
So call 1 800 833-0447, ext. 34340, today.

We'll switch you to AT&T for both in-state and out-of-state long distance, and give you
the code for your check. We'll also make sure that after six months you'll get our great
15¢ a minute out-of-state rate, plus our money-saving 5¢ a minute in-state rate.

(over, please)

We look forward to welcoming you to AT&T. And investing, as no other company can, in your total satisfaction.

Sincerely,



Jo-Anna M. Paszkowski
AT&T Marketing Manager

P.S. A real check...5¢ per minute for in-state long distance...and just 10¢ a minute for out-of-state long distance calls in the U.S.! It's all yours when you call our 800# today.

* Rate comparison is based on an in-state, direct-dialed call of two minutes or more in length vs. same call with SNET Simple Solutions. The 5¢ rate is available only to customers who subscribe to AT&T for in-state and out-of-state long distance services.

Your AT&T Service Agreement

- Your signing, cashing and/or depositing of this check authorizes AT&T to process your order, unblock your carrier choice service protection to make these switches possible, and notify your local telephone company of your decision to switch to AT&T for out-of-state and in-state long distance services.
 - For each of these services, only one long distance company may be designated for the telephone number listed on the front of this check. Your selection of AT&T will apply only to the telephone number listed on the front of this check.
 - Your local telephone company may charge you fees to switch your long distance services. If so, they will appear on a future telephone bill.
 - If you've recently accepted another offer to switch to AT&T, we can only fulfill on the first response received.
-

ATTACHMENT NO. 3

MARKETPLACE

Best Phone Discounts Go to Hardest Bargainers

By JOHN J. KELLER

Staff Reporter of THE WALL STREET JOURNAL

Shhhh. Don't tell anybody, but now Ma Bell is a "dime lady," too.

Millions of customers switched to Sprint Corp.'s dime-a-minute plan over the past two years, lured by the simple but limited offer from its "dime lady" pitchwoman, Candice Bergen. The Sprint plan charges just 10 cents a minute for long-distance calls on nights and weekends and 25 cents a minute on weekdays. Stung, AT&T Corp. responded with a flat-rate offer that,

TELECOMMUNICATIONS

while less catchy, charges 15 cents a minute around the clock. AT&T named the plan One Rate.

Now it turns out that One Rate actually is two rates: AT&T customers can get dime-a-minute calling 24 hours a day, seven days a week — if only they know to ask for it. That is the hardest part, for AT&T has been uncharacteristically quiet about the new offer. The company hasn't advertised it; it hasn't sent out press releases heralding the latest effort to one-up the folks at Sprint. AT&T's customer-service reps don't even like to talk about it.

"How did you find out about this? Who told you?" one AT&T representative demanded to know when a customer dialed the company's main toll-free number seeking the secret discount.

AT&T's "you-gotta-ask-for-it" plan is a risky defense. While aimed at stopping customers from sprinting away to Sprint, it is going to irk people who discover they are

The Long-Distance Hagggle

One Rate: 15 cents per minute on any long-distance call made at any time in the U.S.

Sprint Sense: 10 cents per minute 7 p.m. to 7 a.m. Mon.-Fri. and all weekend. During the day the charge is 25 cents per minute

MCI One: 12 cents per minute if you spend at least \$25 a month. Spend less than \$25 and the per-minute charge is 15 cents. MCI also bundles wireless, Internet and other services into its package.

All America: 19 cents per minute on daytime calls, 14 cents on evenings, 12 cents after 11 p.m. and weekends

One Rate Plus: 10 cents per minute on any long-distance call plus a \$4.95 per month fee that is sometimes waived for two or more months.

Sprint Sense Day: 15 cents per minute, around the clock. If you tell Sprint you're a work-at-home person or homebound, Sprint also offers a 10-cents-per-minute rate on the one number you call the most.

None, apparently. "We're not in the promo game at all," a spokesman says.

Option S: 25 cents per minute 6 a.m. to 6 p.m. and 10 cents all other times; **Option T:** 15 cents per minute around the clock

1-800-CALL-ATT
(1-800-225-5288)

1-800-PIN-DROP
(1-800-746-3767)

1-800-444-3333

1-800-524-4685

paying more than they have to. The stealthy offer also reveals a new consumer caveat: the days of one-size-fits-all discount plans may be over, and how good your deal is will depend on how hard you haggle.

Some customers, of course, have played long-distance providers off one another in recent years, surfing among carriers to land cash bonuses for switching. Now, the heavily advertised discount plans — from AT&T's True Reach to MCI One to Sprint Sense — are yielding to a new kind of telecom bazaar, in which different customers will get different rates.

In the entirely unheralded AT&T offer,

which it calls One Rate Plus, the toughest bargainers can do even better than the dime-a-minute deal; they can persuade AT&T to waive a \$4.95-a-month fee for several months. Sprint, which usually charges 25 cents a minute in daylight hours, will match AT&T's 15-cent rate — but only if customers demand it. (MCI Communications Corp. claims it doesn't dicker: It stands by a 12-cent-a-minute rate for customers who spend at least \$25 a month.)

"When I called AT&T, at first the customer rep acted like she didn't know what I was talking about," says Cheryl-Ann Barrington, a One Rate customer in

Odenton, Md. "But then I told her my sister got the 10-cent rate, and she gave me the details." Ms. Barrington, who spends up to \$90 a month on long-distance calls, landed the all-hours, dime-a-minute rate plus a six-month freebie on the monthly fee. "If my monthly bills don't go down, I'll do something else," she says.

The negotiations unnerve even some customers who are nervy enough to hound. "I was notified about a 12-cent-a-minute MCI plan, and I called AT&T to see if they could offer anything cheaper," says Jack Balos, an AT&T customer in New York. Emboldened by the surprise dime

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Without Any Fanfare, Best Phone Discounts Go to Best Hagglers

Continued From Page B1

offer, he also landed a refund of \$27.90 for the nickel-a-minute extra he has been paying since signing up with One Rate. And he got AT&T to waive the \$4.95-a-month fee — albeit for only two months, rather than six.

"The individual negotiations are ridiculous," Mr. Balos complains. "They're not advertising this, and that's not fair to the people who have signed up for AT&T's 15-cent One Rate plan."

An AT&T spokesman makes no apologies for the special pricing, given the intense competition. It is used, he says, on "a case-by-case basis with an AT&T customer who has gotten an attractive offer from a competitor."

But consumers might well wonder "who's being true," says Yankee Group analyst Brian Adamik, borrowing from AT&T's high-profile ad campaign for the True Reach discount program. Over the past year or so "all carriers have had secret pricing offers in their back pockets, and they take them out and use them when needed," he says.

AT&T gave its telemarketers the dime plan two weeks ago to keep customers from fleeing to rival discount services. Its unusual level of discretion in making One Rate Plus known may be understandable: The plan marks a 33% discount off the existing One Rate. If millions of customers grabbed for it, that would hinder the already-slow growth in AT&T's revenue, which grew 2.7% last year.

That is why AT&T has been raising its basic rates in the past couple of years, and why rivals have been following in lockstep. They aim to offset a falloff in revenue brought about by discounting. Consumer watchdogs have long decried the fact that more than half of AT&T's 80 million household customers still pay high basic rates, apparently unaware of, or uninterested in, cheaper plans.

Even the \$4.95 monthly fee in One Rate Plus may not necessarily alleviate the revenue pressure. Under the 15-cent-a-minute plan, a customer who makes 300 minutes of long-distance calls in a month would be charged \$45. The same customer at a dime a minute would be charged \$34.95, or 22% less, even factoring in the \$4.95 fee.

The mishmash of discounts and hard bargaining will probably increase as customers negotiate individual service plans that bundle in everything from local and long-distance phone service to cellular, paging and Internet access. It lets the phone companies try to differentiate their services from commoditylike long-distance rates.

MCI bundles local, long-distance, Internet and wireless services with its MCI One plan. Sprint bundles long-distance, paging, toll-free calls and other services. GTE Corp. has begun to do this in its national markets. Such packaging could enable carriers to wean consumers off discounts — but will require customers to become savvier about the back-and-forth.

A media executive, say, could get her own bundle of phone, Internet and other services, while a person with a home office could get his different bundle at different prices. With every combatant — from AT&T to even something called the Long Distance Wholesale Club — offering cut-rate pricing, "fighting on price alone just isn't sustainable," says Mr. Adamik of Yankee Group, a Boston research firm. "Another company will always rise up to beat your price."

AT&T is willing to take up the challenge — for now, although it won't say how long the dime deal will last. While such bargains are unadvertised, with a little persistence you can find out about the latest one by calling the company. Just dial 1-800-CALLATT.

Certificate of Service

I hereby certify that on this 20th day of October, 1997, I served by first-class mail a copy of the foregoing "Joint Comments of Ad Hoc Coalition of Telecommunications Manufacturing Companies and Corporate Telecommunications Managers Concerning FCC's Public Interest Finding" to each person listed below.

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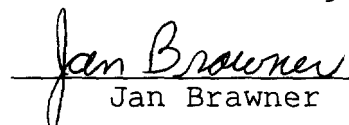
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